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SUPPLEMENT TO REPORT NO.

- 1. On 20 October 1950 a meeting took place in the Lain Lepartment Chemical * roducts dealing with the problems of the Soviet wone basic chemicals industry. The situation of the plants of the VVB (2) Alcid especially was under debate, as the most important plants of the basic chemicals industry are combined in the VVE (Z) Alcid. The report of the c'ief manager of the VVE(Z) Alcid, Schoene, (fmi), gave a very unfavorable overall picture of the situation of the plants under his control. According to him, neither raw materials nor machinery and repair material are delivered in sufficient quantity and quality to fulfill the ect production targets and to carry out on schedule the tasks set in the Five-Year-Flan.
- 2. The poviet Zone requirements of phosphorous fertilizer cannot be met. The shipments of Kols apatite from the U.S.S.H. are completely inadequate. Towever, on increase of the Soviet apatite deliveries would only be possible if the installations on the Kela reminsula were expanded. The shipments of crude phosphate from Morocco have been very irregular. Mestern import arrangements are very doubtful owing to the present political situation, opposition of the Ruedersdorf (2 53/V 0h) Phosphate Flant can be continued only very slowly and not on schedule because of the critical shortage of machinery and equipment, *
- 3. The pright of the sulphuric acid industry is serious. The import of pyrites from the vestorn countries is completely inadequate and mets with great difficulties. The growing political tension may soon stop western pyrite imports completely. The Soviet Zone domestic parite deposits near Mibingerode (E 52/D 15) are largely exhausted and yield only ones with sulphur content below 30 percent. As a consequence, the Soviet zone sulphur furnaces cannot be operated without special additional sulphur ores. Contain improvement may be reached by a botter flotation of the grites in Elbingsrode, an i provement which is expected to increase the sulphur content of the ores to at least he percent. However, it will not besically change the critical situation in the Soviet Lara sulphuric and industry. The only solution will be the production of sulphuric acid according to the cypsum process (Cipsverfabren) in Wolfen (152/Elb). **
- The soda air caustic soda production of the Soviet Zone is completely inadequate. *** The plants involved in this production are scheduled to be

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expanded in 1951. Investments in this production sphere will be particularly profitable, because domestic resources promise to make the soviet Zone self-sufficient in this field. However, the improvement of the electric power supply will neet with great difficulties. Inother problem is the maintenance of the antiquated plant installations with most inade mate tools and equipment. There is even a shortage of rivets and mails. The constant shortage of welding electrodes is a particular disturbance to production. Also the best ideological training cannot blind the work force to the shortage of repair material.

- 5. The Soviet Cone chemical industry cannot rely on shipments of machinery, instruments, and other equipment from the U.S.S.A. and the other Eastern Bloc countries. Even Czechoslovakia cannot in the least replace the deliveries from West Germany. Precision mechanical instruments and optical products cannot be supplied at all by the Mestern Bloc countries. The deliveries demanded by those countries from the Soviet Zone are greater than the appropriate exchange deliveries possible.
- 6. The training of apprentices is not properly handled. Really efficient young workers who have proved to have the necessary talent for university studies have been retained in the plants mostly because of the plant's pride while young workers who frequently have shown poor efficiency were proposed for university training only because of their social background.

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Comment. The construction of the plant for phosphorous fertilizer in fluedersdorf was started early in 1950 am. manged by Dr. Schaetzel, (fmm), iroduction was scheduled to begin on 1 October 1970. Fowever, production probably did not start before 1991 because the Polysius BAG Machine Construction Plant had to comply with urgent reparation orders and therefore could not deliver the large rotary tubular kilms ordered by the decreased Plant

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deliver the large rotory tubular kilns ordered by the successforf Plants.

Comment. Nost of the Cysum-sulphuric acid installation of the Farlen Flant in Mollen, an enterprise of the SAC Kraska, was destroyed during the var. The reconstruction of this installation started early in 1950. The time needed for reconstruction is estimated at one to one and a half years. To late, no confirmatory report has yet been received that sulphuric acid production has started in this installation.

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Correct. Since the Soviets completely dispartled the Solvay Flant in lernburg (1 52/D 76), the two remaining soda factories in Stassfurt (E 52/D 63) and Buchenou (E 51/C 65) have been unable to neet the Soviet some requirements.